

MSWG on Environmental Performance  
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Iowa


## Environmental Management Systems in Forest Management

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*Improving the Triple Bottom Line  
Ecological, Economic, and Social Benefits of Forests*

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## Discussion Points

**In 15 minutes (or less).....**

- Environmental Management Systems in the Forest.....and beyond
- Are Wisconsin's forests sustainable?
- How do we measure sustainability?
- Does Forestry have an EMS?
- What steps are being taken to engage in an EMS?
- What is the business value of an EMS




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## Agriculture and Forestry

Agriculture and Forestry have a long history !




LANDUSE !! Conversion from forests to farmland in the 1900s pitted conservationist against farmers/settlers.

Where are the 2 industries **today in promoting sustainability** and implementing management systems to provide a healthy environment, and strong economy, and a high quality of life?



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## Environmental Management System

An EMS is....


- Voluntary
- Environmental objectives and targets
- Applies to all types of "production" regardless of size or location
- Includes regular monitoring and corrective action
- Identifies impacts to soil, air, water, etc
- Tracks all legal requirements
- Documents stewardship
- Engages Stakeholders

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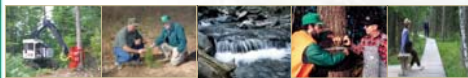

EMS are only effective if they are implemented !  
How is Forestry implementing an EMS and what are the benefits.....and how did we get there so fast !



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## Forests and Forestry 101

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## Sustainable Forestry



- Provides ecological, economic, and social benefits for current and future generations.

Are Wisconsin's forests sustainably managed?



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## 100 Years Ago



- Wisconsin's forests were not sustainable.
- Early Cutover destroyed the economic and ecological values
- Created and awareness in the legislature to establish a state forestry program in 1904
- Awakened forest industry visionaries to the need for sustained yield.

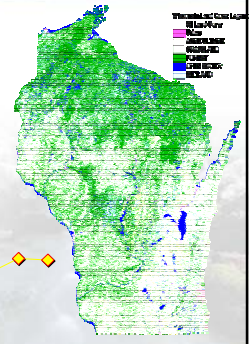
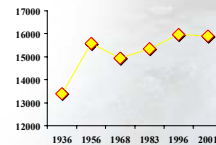


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## Wisconsin Forests Today

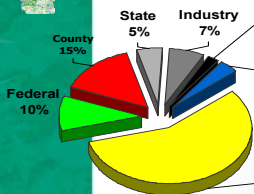


- WI's largest land cover 46%
- Increase in forest cover due to conversion of marginal ag land.



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## Forest Ownership

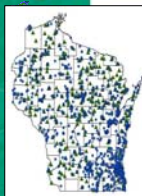


- 70% are privately owned
- Number of landowners increasing (262,000) as well as values
- Ownership size is decreasing (Avg is 35 acres)
- Industrial forests are changing ownership



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## Forest Products Industry

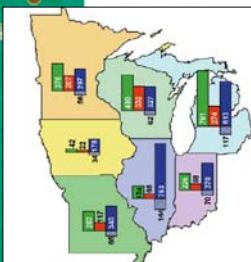


- 1800 forest products companies
- 22 billion dollar industry
- Capital Investments - Wisconsin is second highest in nation - 811 million (20% of all Wisconsin manufacturing)
- Of Wisconsin's total industrial output, forest products and processing produced 8.1% (22.6 billion) of the states total Wisconsin is 2<sup>nd</sup> in nation for number of employees in forest products sector
- Forest products and processing jobs account for 4.8% of total employment in Wisconsin (157,357)
- Annual wages on average are \$39,500 in forests products and processing versus the state average of \$30,296 (2000)



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## Forest Growth, Removals-DEMAND



Green=Growth  
Red = Removals  
Blue = Consumption

- Wisconsin grows more wood than it removes
- Wisconsin produces enough wood to meet their own needs.
- Within a few years Wisconsin will be an net importer of wood.
- Where do we want our wood to come from?



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So how did Forestry successfully design, implement and track and Environmental Management System for 262,000 landowners, 1800 companies, 16 million acres, and 9.8 billion trees in Wisconsin?



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## Forestry EMS



Forests Increase Wisconsin's  
TRIPLE Bottom Line

Forests are essential to  
Wisconsin's economy,  
environment, and quality of  
life.



- Multiple values provided by forests necessitated multi-stakeholder involvement in EMS.



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## Forest Certification



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## Forest Certification

Independent third-party assurance that  
forestry operations meet standards set by a  
certification program.



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## Forest Certification



Is a means of ensuring forests are sustainably  
managed by responsible forestry practices.  
A commitment to **sustainable forestry** through a  
third party verification process.



- Review of **on-the-ground forest practices** against standards that address environmental, social, and economic issues.
- Compliance with regulation and **continual improvement**.
- A **voluntary flexible** and tested approach to meet the ecological, economic, and social goals.



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## Forest Certification Systems

 <p>Tree Farm U.S. only American Forest Foundation Volunteers Mostly NIPF owners Performance Based</p>	 <p>International Forest Stewardship Council Smartwood, SCS All Performance Based</p>
 <p>SUSTAINABLE FORESTRY INITIATIVE U.S. &amp; Canada American Forest &amp; Paper Association PriceWaterhouseCooper, BioForest Industry &amp; large ownerships Performance Based</p>	<p><b>ISO 14001</b> International ISO PriceWaterhouseCooper, BioForest Industry Systems Based</p>



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## Forest Certification



Among resource  
management topics,  
forest certification is one  
of the most

- ❖ **Complex**
- ❖ **Controversial**
- ❖ **Promising-Exciting**



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## Certification Ensures Environmental Benefits



- Conserves biodiversity
- Protects threatened species & habitats
- Maintains ecological integrity & functionality of the forest
- Protects water quality



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## Certification Ensures Social Benefits



### Social Benefits:

- ❖ Empowerment of all stakeholders through knowledge & voice
- ❖ Preservation of indigenous peoples' rights
- ❖ Worker safety & welfare
- ❖ Sustainable communities
- ❖ Confidence in sharing information regarding your forest management with your processors and buyers



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## Certification Creates Value for Business



### Economic Benefits:

- ❖ Market differentiation
- ❖ Market access
- ❖ Increased market share and reach
- ❖ Regulatory Avoidance e.g. BMP's
- ❖ Improves performance
- ❖ Confidence in governance of land and business management



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## Current and Future Benefits



- Broad group of stakeholders
- Branding: Access to markets and higher prices
- Stakeholder involvement in developing standards
- Clarify agency support for certification as a method of regulatory relief but not avoidance (due diligence and risk reduction)
- Streamline systems and process
- Publicize the benefits of certification
- Linked with ISO= performance and systems



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## Certification Process



- Principles and Criteria
  - Assessment
  - Stakeholder Input
  - Peer Review
  - Certification Offer
  - Certification Acceptance
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- Chain of Custody
  - Product Label

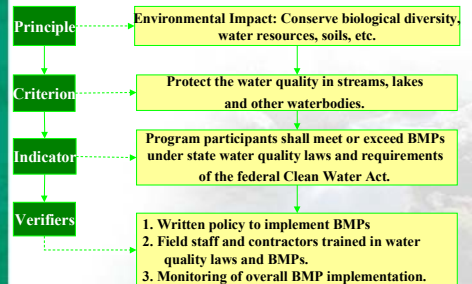
Land Management  
Organizations

Companies in  
Trade



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## Environmental Quality Example



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## Certification History



Where did the concept of forest certification come from?

**There are multiple events, past, present and evolving, that have and will contribute to the forest certification paradigm.**



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## History



Forest certification can trace its origins to concerns in the 1970s and '80s that tropical rainforests were rapidly being devastated.

• 1989

Rainforest Alliance

→ SMARTWOOD

• 1991

SCS (Sustainable Forestry)

• 1993



Forest Stewardship Council Certification was an outgrowth of 1992 Earth Summit in Rio. Smartwood and SCS adopt the FSC program.



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## History



- Meanwhile, in the 1980s-'90s, forest industries were coming under a lot of environmental scrutiny...



- At first, industry became defensive (e.g. the Wise Use movement in early '90s)

- After further evaluation, launched the Sustainable Forest Initiative in 1994

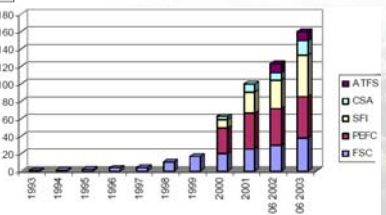


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## Forest Certification Expansion



3.5% of World's Forests are Certified  
(160 Million ha)



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## Case Study- Time Inc.



Time Inc.



- World's Largest magazine publisher
- Purchases over 700K tons of paper per year
- Global Purchaser -51 mills, 28 in US
- >90% of domestic use manufactured in North America



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## Time Inc - Environmental Initiative



By 2006  
80%  
Certified

- Forestry
  - Sustainable Harvest
  - 3rd Party Certification
  - Protecting Endangered and Old Growth Forest
- Global Climate Change
  - GOAL: Fiber used in products purchased by Time Inc will be from sustainably managed lands certified by a third party using credible recognized performance standards.



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## More Challenges...



- Globalization is rapidly changing the production, consumption and trade dynamics of forest products
- Wisconsin's markets at risk



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## Differentiation



- Forest Certification could help differentiate Wisconsin and other domestic wood production, making it more desirable than timber that is being produced elsewhere, in many cases in an unsustainable manner.



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## Benefits of Certification

- Continuous Quality Improvement
- Public Awareness of Sustainability
- Social License: Public assured of sustainable products
- Access to global markets
- Risk Reduction
- Verifiable by an external third party= credible
- Non regulatory, transparent, education, spot check
- Currency with regulation and sustainability
- Meets business needs and environmental needs

### BOTTOM LINE:

Forest Certification can address the **Triple Bottom Line** - the environment, the dollar, and quality of life.



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## Thank You

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